

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA

ARTEC GROUP, INC.,

Plaintiff,

v.

ANDREY KLIMOV, et al.,

Defendants.

Case No. 15-cv-03449-EMC

**ORDER DENYING WITHOUT
PREJUDICE PLAINTIFF'S MOTION
FOR SANCTIONS**

Docket No. 275

Plaintiff Artec Group, Inc. has moved for sanctions against the three individual defendants in this case, namely, Andrey Klimov, Anna Stebleva, and Yulia Klimova. The Court held a hearing on the matter on August 3, 2017. This order memorializes the Court's rulings at the hearing and adds additional analysis, as necessary.¹

While the Court is not unsympathetic to Artec's request for a default sanction, the Court concludes that a lesser sanction – for the time being – is more appropriate. The Court shall give each individual defendant one final opportunity to appear in person for a deposition to be held in San Francisco in advance of the settlement conference on August 11, 2017. **Each individual defendant is forewarned that, if he or she does not appear for a deposition, then he or she risks being sanctioned, which may include a terminating sanction such as an entry of default.**

1. *Mr. Klimov.* Mr. Klimov is ordered to appear in person for a deposition to be held in San Francisco on August 9 and 10, 2017. The deposition shall not exceed fourteen (14) hours total. A translator may be used at the deposition.

2. *Ms. Stebleva.* Ms. Stebleva is ordered to appear in person for a deposition to be

¹ Mr. Klimov and Ms. Stebleva made telephonic appearances at the hearing. Ms. Klimova did not make any appearance at the hearing, telephonic or otherwise.

1 held in San Francisco in advance of the settlement conference on August 11, 2017.² Ms. Stebleva
2 shall immediately meet and confer with Artec to arrange a specific date and time. If Ms. Stebleva
3 does not, in good faith, meet and confer with Artec and fails to appear for deposition in person,
4 she risks being sanctioned, with the most likely sanction being a terminating sanction such as
5 entry of default.

6 3. *Ms. Klimova.* Ms. Klimova is ordered to appear in person for a deposition to be
7 held in San Francisco in advance of the settlement conference on August 11, 2017. Ms. Klimova
8 shall immediately meet and confer with Artec to arrange a specific date and time. If Ms. Klimova
9 does not, in good faith, meet and confer with Artec and fails to appear for deposition in person,
10 she risks being sanctioned, with the most likely sanction being a terminating sanction such as
11 entry of default.

12 The Court hereby appoints a master to serve as a discovery referee during each of the
13 above depositions. *See* Fed. R. Civ. P. 53(a)(1)(C) (providing that a court may appoint a master to
14 “address pretrial and posttrial matters that cannot be effectively and timely addressed by an
15 available district judge or magistrate judge of the district”). The master shall have complete and
16 full authority to rule on any dispute that arises during the deposition, and the master’s rulings shall
17 have the same force and effect as a ruling from this Court. Artec shall pay for the cost of the
18 master.

19 Artec has proposed that either Hon. James Ware (Ret.) or Hon. David A. Garcia (Ret.) be
20 named as master. By August 4, 2017, Artec shall file, on behalf of each proposed master, an
21 affidavit from the proposed master disclosing whether there is any ground for disqualification.
22 Any objection to the proposed master shall be filed by August 7, 2017.

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28 ² As the Court stated at the hearing, the parties may “double track” depositions so that Mr.
Klimov, Ms. Stebleva, and/or Ms. Klimova may be deposed on the same day or days.

1 For the foregoing reasons, the Court denies Artec's motion for sanctions but without
2 prejudice. In addition, the Court's rulings herein do not preclude Artec from seeking other
3 sanctions, such as monetary sanctions, for conduct by the individual defendants that has already
4 taken place or that may take place in the future.

5 This order disposes of Docket No. 275.

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7 **IT IS SO ORDERED.**

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9 Dated: August 4, 2017

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11 EDWARD M. CHEN
12 United States District Judge
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